

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of:

NOTICE OF GENERAL TELEPHONE)	
COMPANY OF KENTUCKY OF AN)	CASE NO. 8045
ADJUSTMENT OF RATES)	

O R D E R

Following a review of the Company's Response to Commission Staff Request No. 1, the Commission finds that certain information requires clarification or additional inquiry. The following information is, therefore, ORDERED to be provided by February 27, 1980.

(1) Provide a restatement of Marler Exhibit No. 4 on an intrastate basis.

(2) Provide the workpapers supporting the toll effect of all pro forma adjustments. (This can be provided in the same manner as in Case No. 7669, which detailed the adjustment, factor and settlement amount).

(3) Provide Item 5, pages 9, 12, 13, 14, 15, 16 and 18 as those received with the original request are partially illegible.

(4) With regard to Item 5, pages 27 of 52, the detail of the end of period adjustments, provide:

a) the detail supporting the adjusted depreciation of \$29,220,470.

b) the detail supporting the adjusted property, state, local, and payroll tax figures.

(5) Concerning the wage increase adjustment, Item 5, page 32 of 52, provide the basis for the percentage increases of 9% and 10%. Please include any wage contracts and all data used to determine these projected increases along with a full statement of the methods used to arrive at the stated percentages.

(6) Concerning the adjustment for increased employee benefits Item 5, page 34 of 52 please provide:

- a) A complete description of all factors used to determine the IBEW portion along with the amount of IBEW insurance benefits included in the May, June and July end of period adjustment.
- b) The working papers supporting the CWA portion along with the amount of CWA insurance benefits included in May, June and July end of period adjustment.

(7) Concerning the adjustment for workmen's compensation, Item 5, page 35, did the rate change during or after May, 1980? List the old rate and date of change.

(8) Provide a complete breakdown and description of "Other Deductions" of \$1,144,464 (State) and \$2,933,944 (Federal) on Item 5, page 46.

(9) Reconcile Item 20(I) pages 1 and 2, amounts capitalized, with Item 20(J), gross additions.

(10) After reviewing Item 7A, pages 1 thru 12, and the monthly reports, page 7, the Commission finds that the three months (May, June, and July, 1980) used in the end of period adjustments to certain expense accounts were significantly higher than the expenses for the preceding three months (February, March and April, 1980) and the subsequent three months (August, September, and October, 1980). A list of major accounts follows showing (I) the three month total used in the end of period adjustment, (II) the preceding three month total, and (III) the subsequent three month total. Detail all factors which gave rise to the large variances observed in these categories of expense along with an itemized accounting by Company subaccount title of all extraordinary or nonrecurring items of expense incurred during the period of May, June and July, 1980, complete with a detailed description of the nature of the cost.

<u>Account</u>	<u>I</u>	<u>II</u>	<u>III</u>
a) Repair of Outside Plant	\$1,421,870	\$1,098,375	\$1,285,142
b) Repair of Central Office Equipment	2,398,568	1,946,373	2,198,929
c) Repair of Station Equipment	3,497,294	2,838,501	3,101,705
d) Executive Department	127,503	93,709	100,374
e) Accounting Department	1,551,764	1,377,292	1,432,983
f) Relief and Pensions	1,619,307	1,454,173	1,502,848

Done at Frankfort, Kentucky, this 18th day of February, 1981.

UTILITY REGULATORY COMMISSION

Chairman

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Vice Chairman~~

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Commissioner~~

ATTEST:

Secretary